

# Minnesota's Small Group Market General Overview

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Minnesota Health Insurance Exchange  
Small Employer Work Group

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Nathan Hierlmaier  
State Planner, Health Economics Program

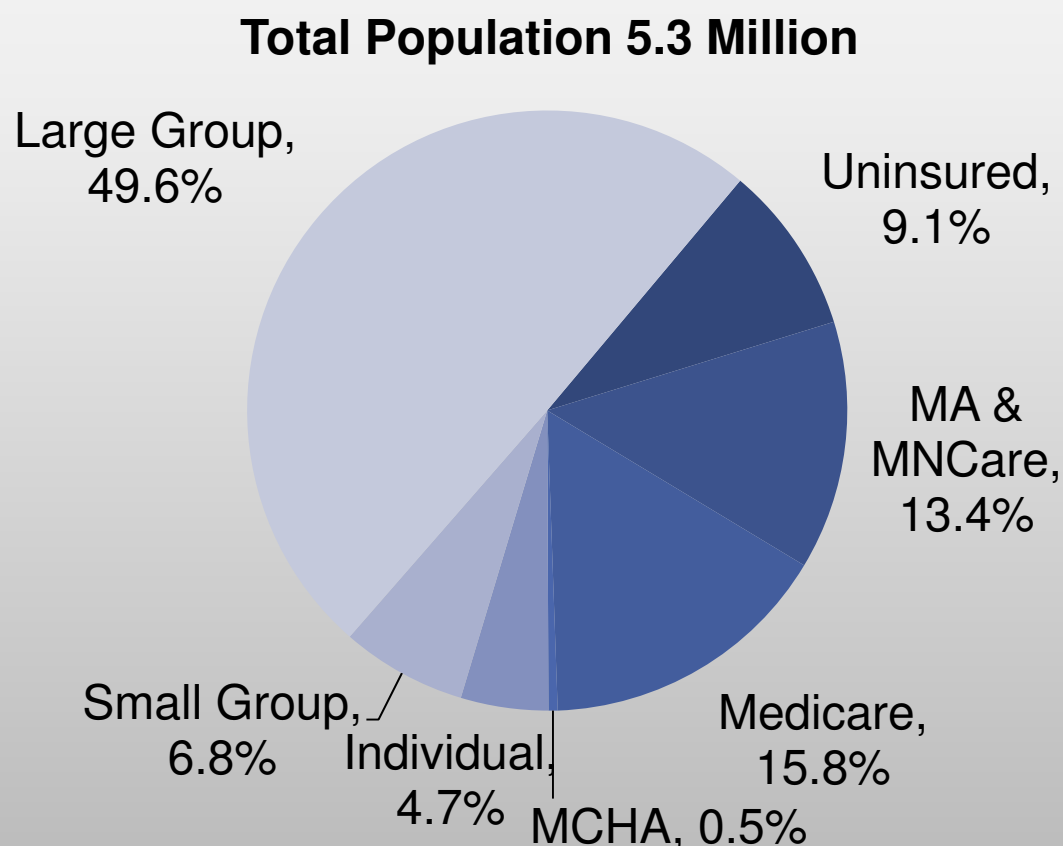
# Overview

- Coverage distribution in Minnesota
- Statistics on employer-based coverage, comparing small and large firms
- Trends in health plan benefits in the small group market
- Health plan market shares and loss ratios

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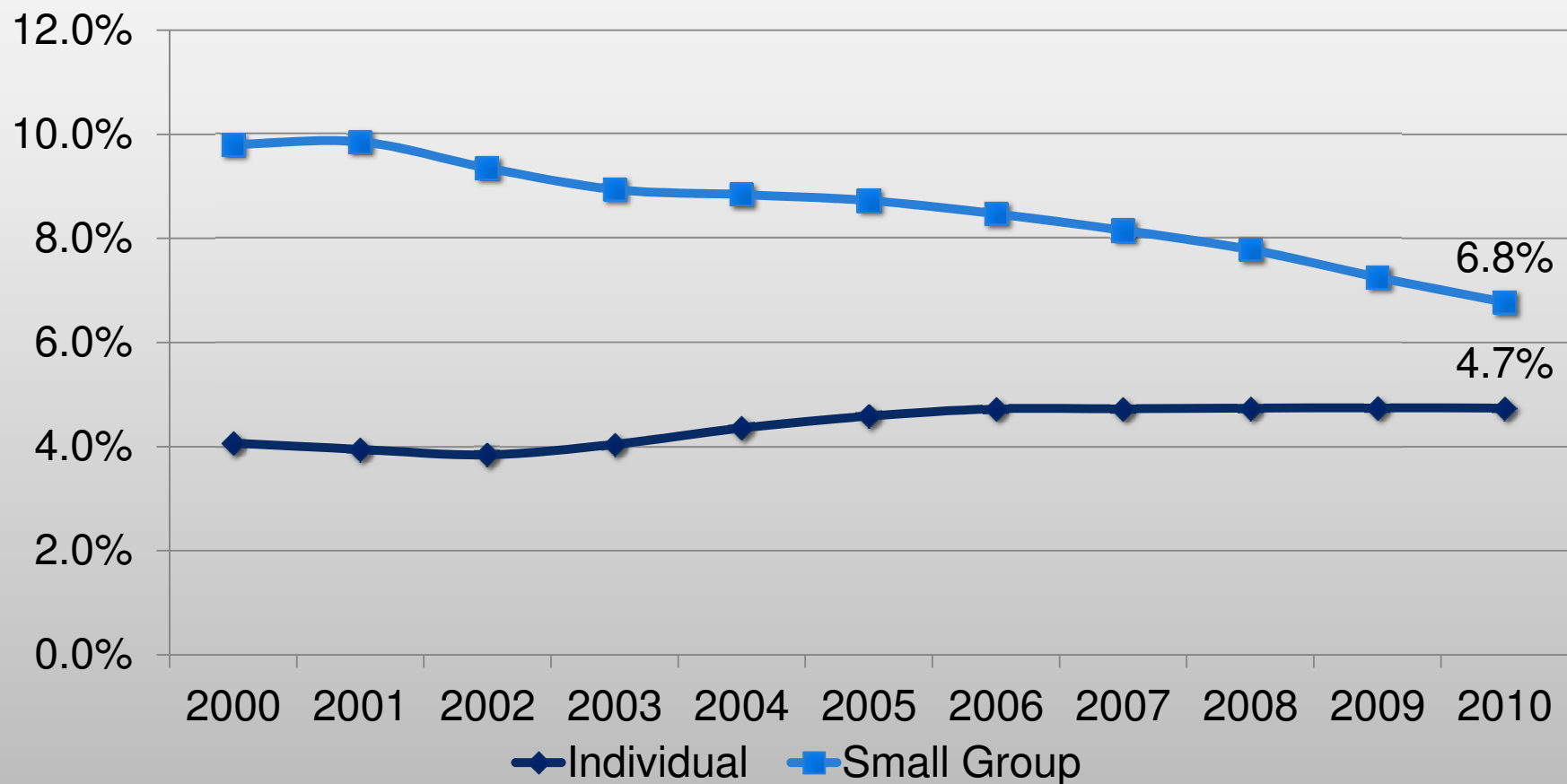
## Size of Small Group Market in Minnesota

# Distribution of Minnesota Population by Primary Source of Insurance Coverage, 2011



Source: MDH Health Economics Program analysis of various sources. MCHA is the Minnesota Comprehensive Health Association. MA is Medical Assistance and MNCare is MinnesotaCare. Small Group and MCHA coverage are assumed to be similar to 2010.

# Enrollment in Small Group and Individual Health Plans as a Share of the Minnesota Population



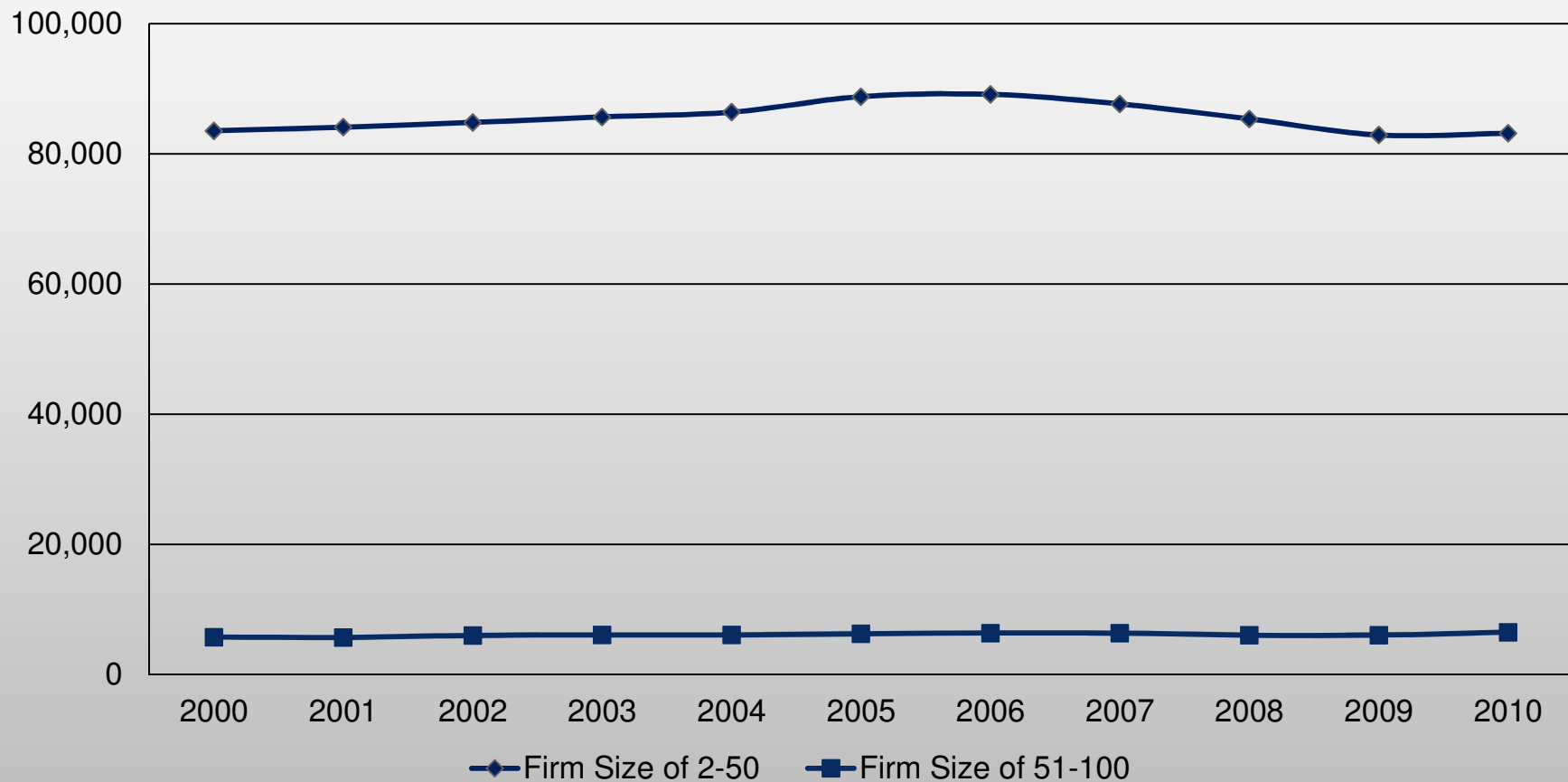
Fully Insured market only.

Source: MDH, Health Economics Program; estimates based on data from various sources.

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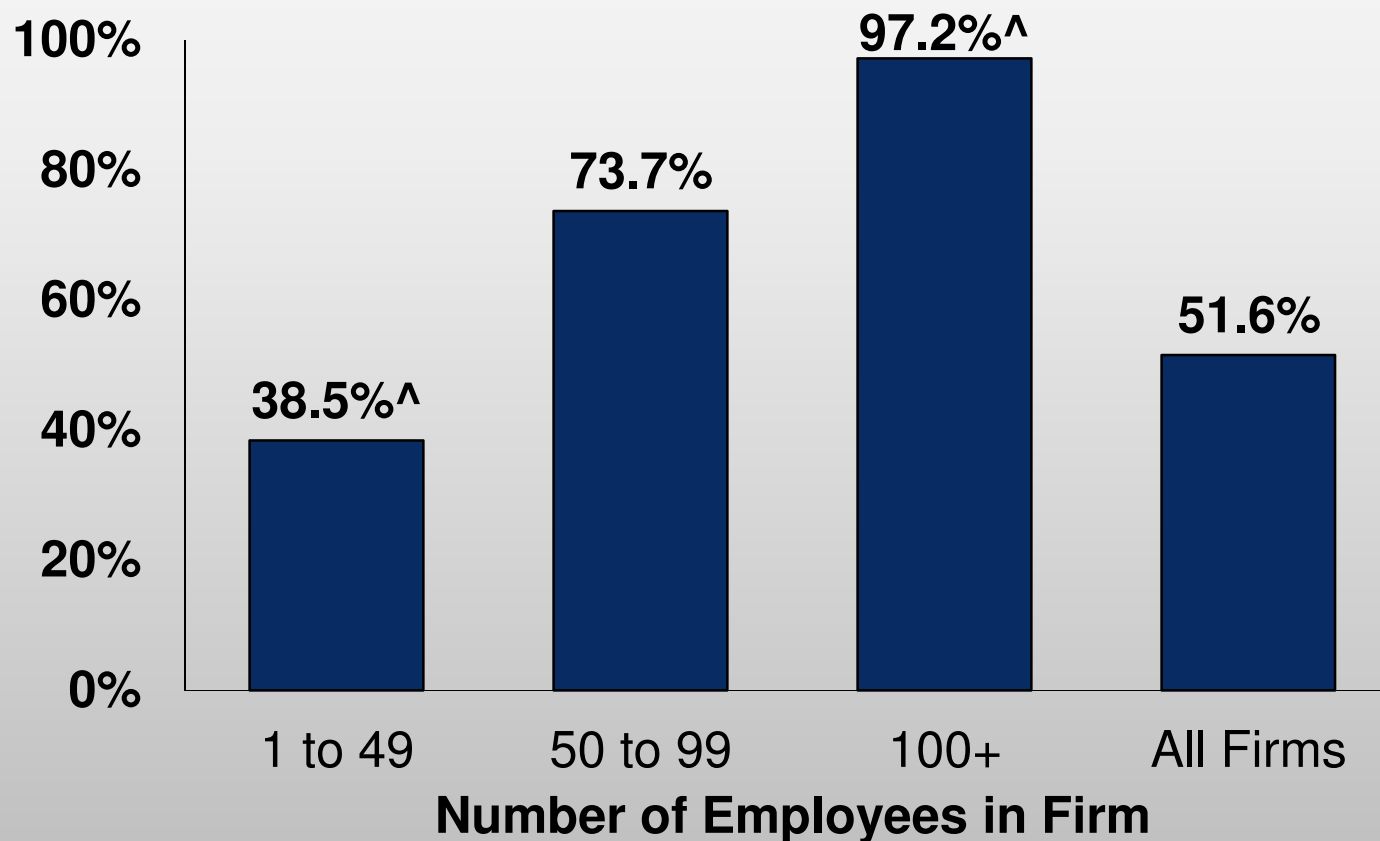
## Characteristics of Small Firms in Minnesota

## Trend in the Number of Minnesota Establishments, by Firm Size, 2000 to 2010



Source: Minnesota Department of Employment and Economic Development, Quarterly Census of Employee and Wages

## Percent of Minnesota Employers Offering Health Insurance Coverage, by Firm Size (2009/10)

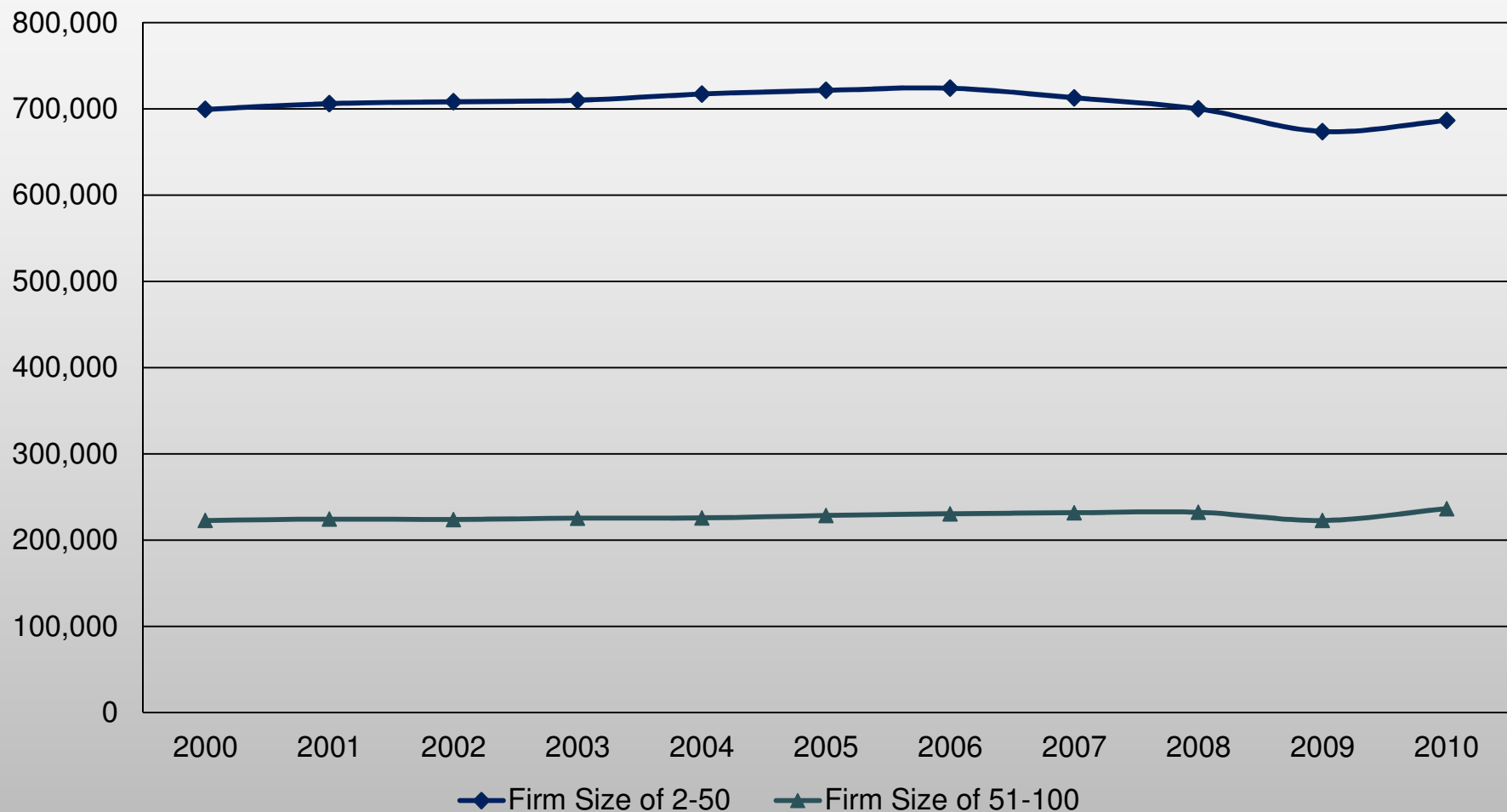


Source: MDH analysis of data for private employers from the Medical Expenditure Panel Survey/Insurance Component (years are pooled to improve the statistical validity of the estimates).

^Indicates a statistically significant difference to estimate for "All Firms" within time period.

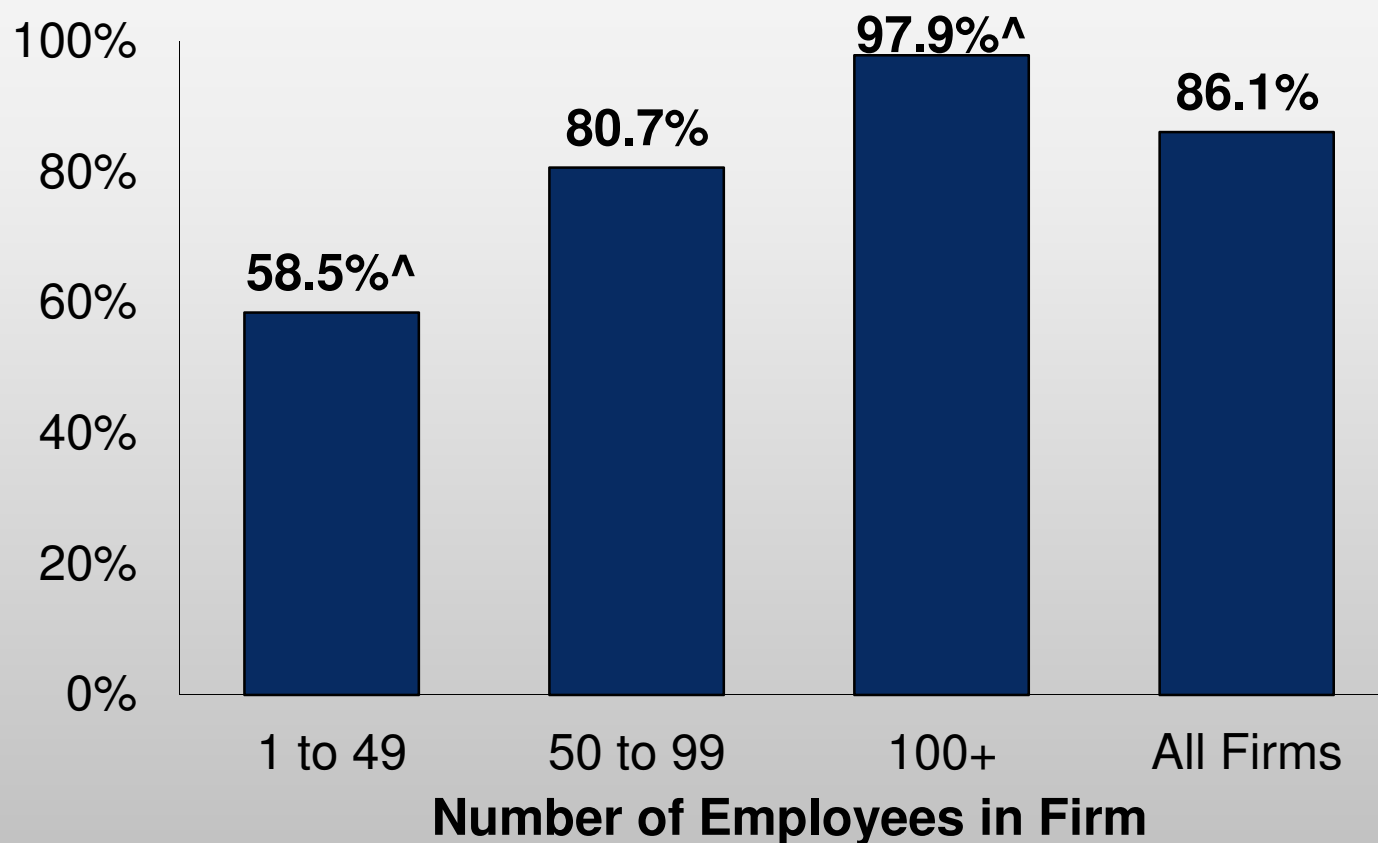


## Trend in the Number of Minnesota Employees, by Firm Size, 2000 to 2010



Source: Minnesota Department of Employment and Economic Development, Quarterly Census of Employee and Wages

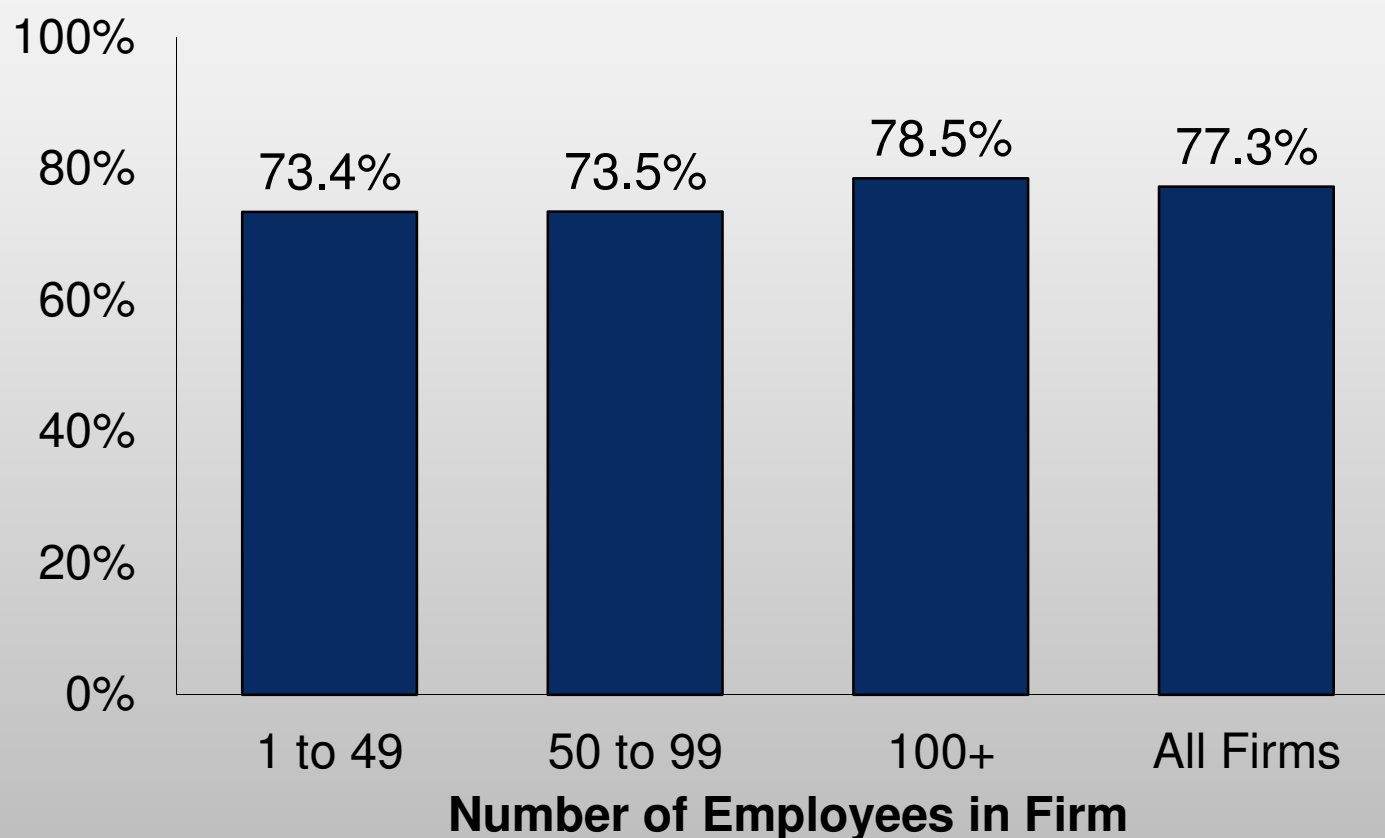
## Percent of Employees in Minnesota Establishments Offering Health Insurance Coverage, by Firm Size (2009/10)



Source: MDH analysis of data for private employers from the Medical Expenditure Panel Survey/Insurance Component (years are pooled to improve the statistical validity of the estimates).

^Indicates a statistically significant difference to estimate for "All Firms" within time period.

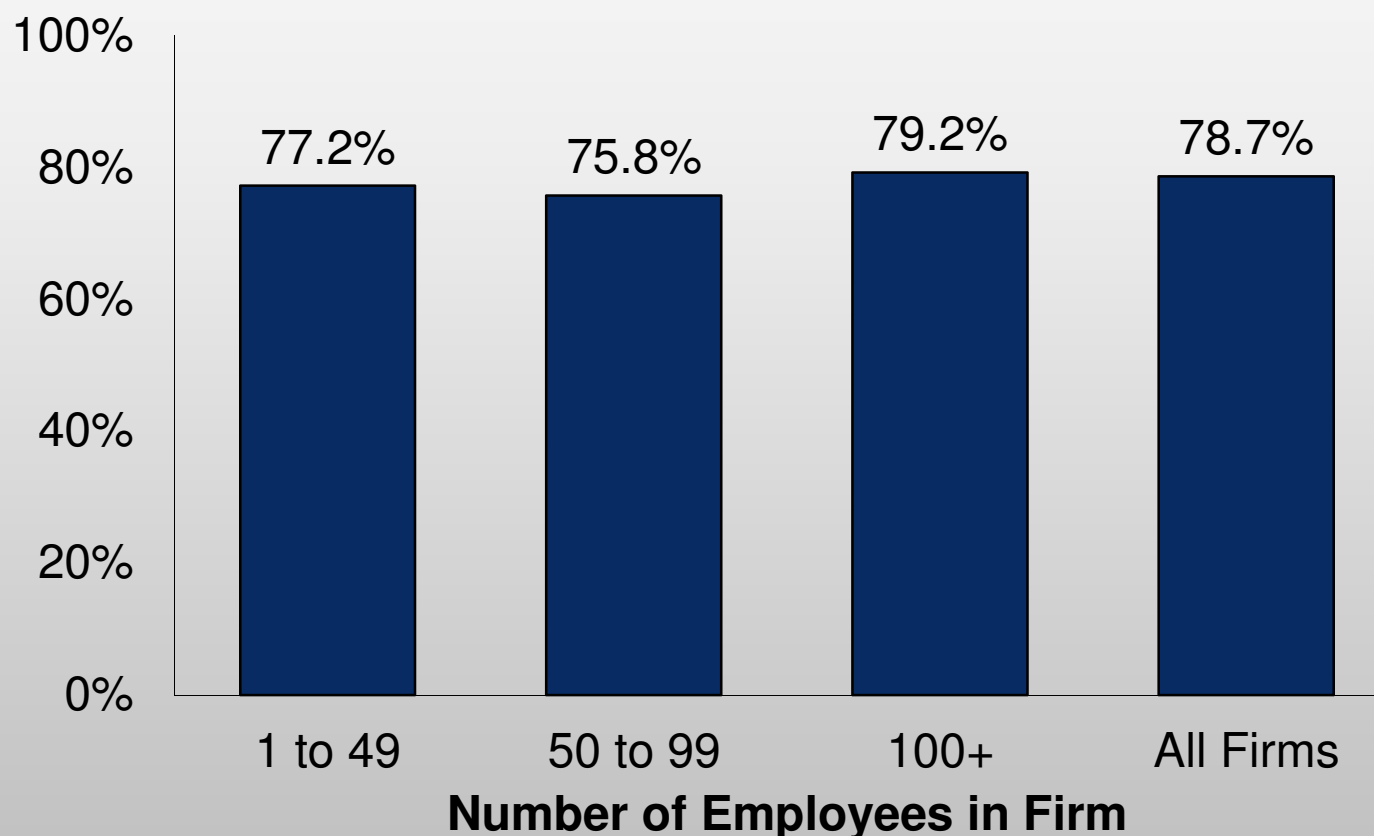
## Percent of Employees Eligible for Health Insurance in Firms Offering Coverage, by Firm Size (2009/10)



Source: MDH analysis of data for private employers from the Medical Expenditure Panel Survey/Insurance Component (years are pooled to improve the statistical validity of the estimates).

None of the firm sizes were statistically significant difference to estimate for "All Firms" within time period.

## Percent of Eligible Employees Who Enroll in Coverage (Take-up Rate), by Firm Size (2009/10)



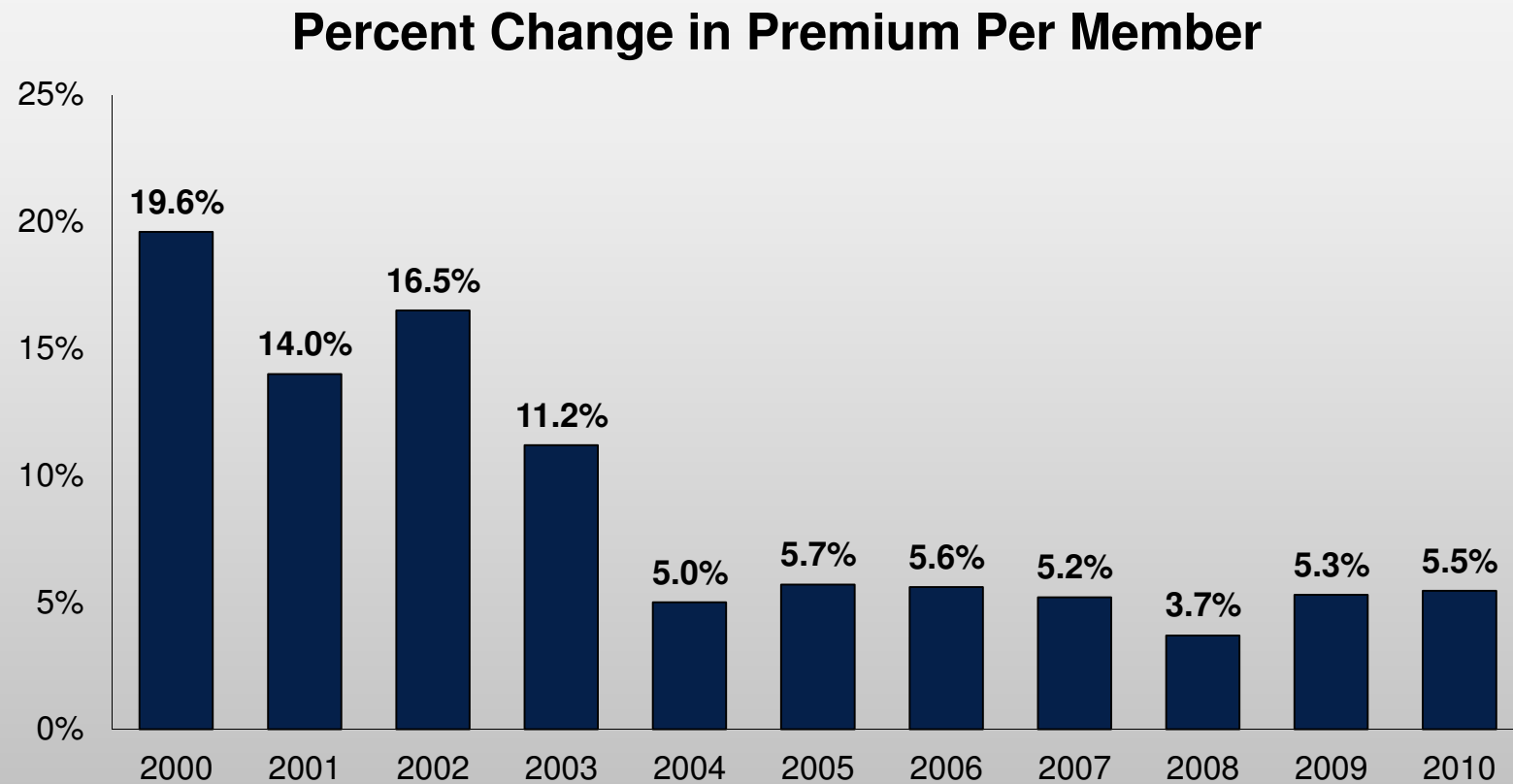
Source: MDH analysis of data for private employers from the Medical Expenditure Panel Survey/Insurance Component (years are pooled to improve the statistical validity of the estimates).

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## Small Group Market Health Plan Design Trends

# Annual Premium Increases in Minnesota's Small Group Market, 2000 to 2010



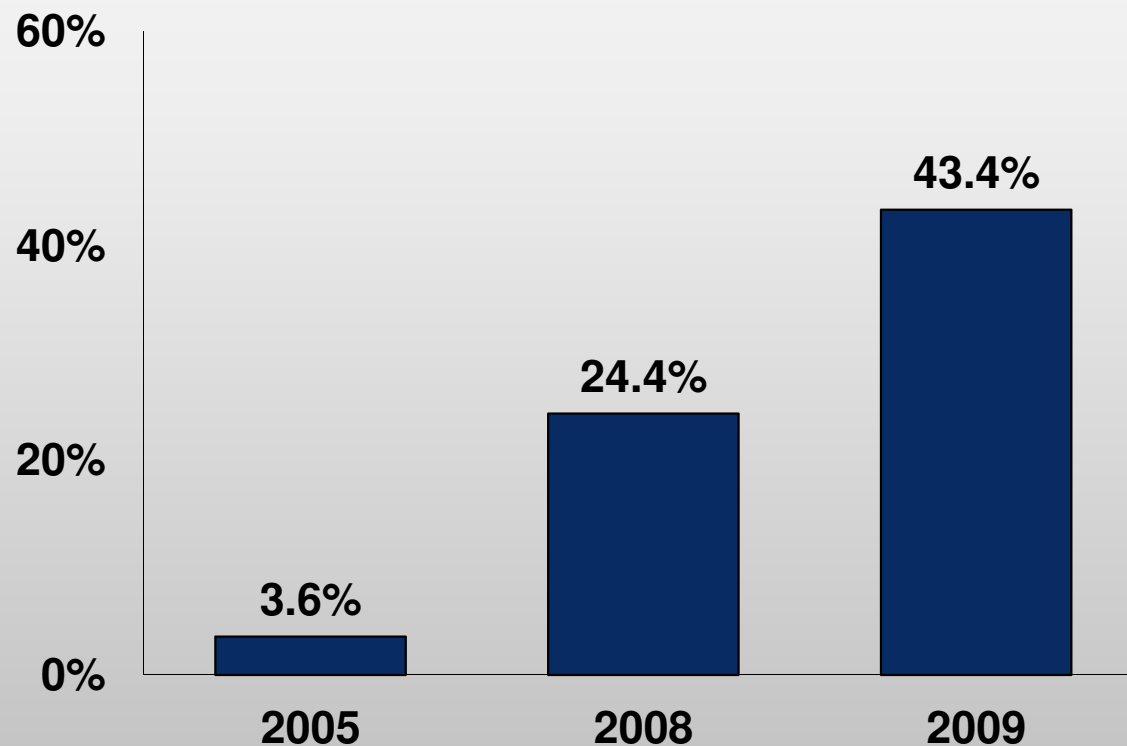
Source: MDH, Health Economics Program; estimates based on data from various sources.

## Per Person Annual Deductibles in the Small Group Market, 2002, 2005 & 2009

	2002	2005	2009
	Median: \$500 Range: \$100 to \$2,500	Median: \$500 Range: \$100 to \$5,000	Median: \$1,500 Range: \$250 to \$10,000
No Deductible	65.6%	52.1%	18.6%
Less than \$500	16.1%	16.5%	6.1%
\$500 to \$999	11.9%	16.9%	14.3%
\$1,000 to \$1,999	6.2%	10.3%	25.1%
\$2,000 or More	<u>0.2%</u>	<u>4.2%</u>	<u>36.0%</u>
	100.0%	100.0%	100.0%

Source: MDH, Health Economics Program  
Median calculation excludes enrollees with no deductible

## Small Group Market Enrollment in High Deductible Health Plans with Savings Option, 2005, 2008 & 2009

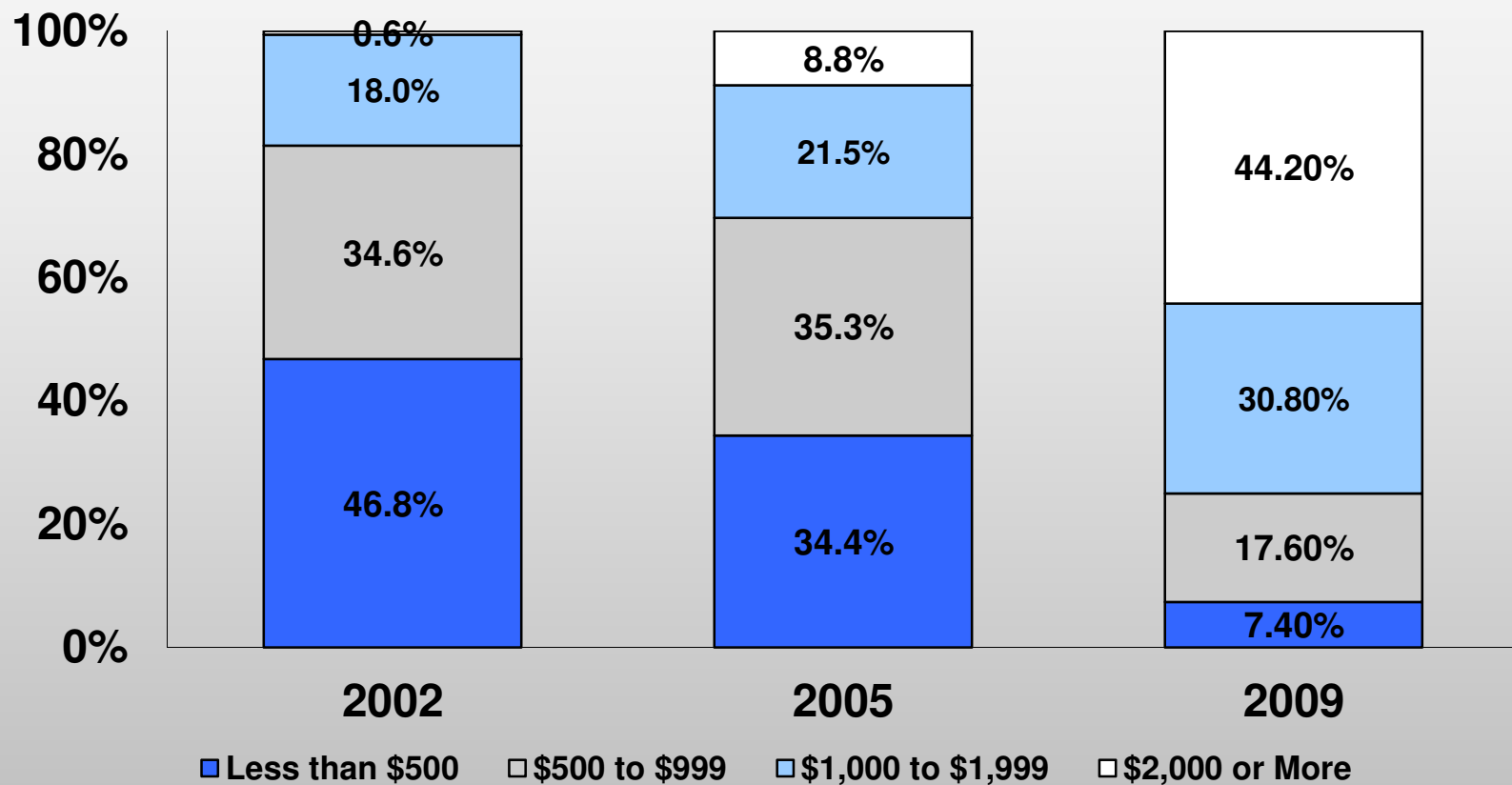


Qualified High Deductible Health Plan enrollment must meet the minimum deductible guidelines for the calendar year, as determined by the Internal Revenue Service (for 2009 the minimum deductible was \$1,150), and be paired with (or have the option to pair with) a Health Savings Account.

Source: MDH, Health Economics Program



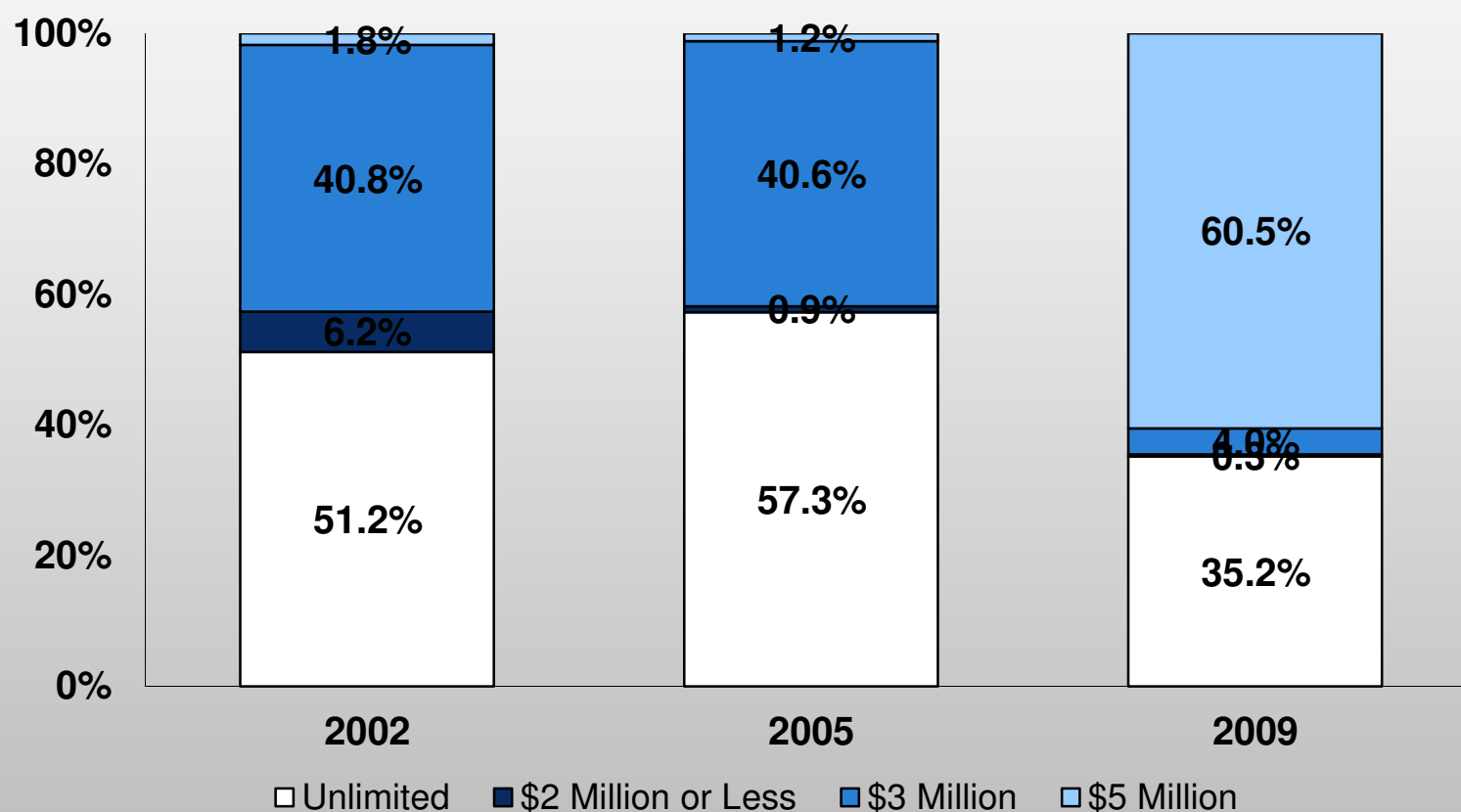
## Distribution of Per Person Deductibles in the Small Group Market, 2002, 2005 & 2009



Source: MDH, Health Economics Program

Deductible levels are per person. Distribution of deductibles only includes enrollment in plans with a deductible

## Lifetime Limit on Benefits in the Small Group Market, 2002 to 2009



Limits on lifetime benefits define the maximum amount an insurance policy will pay over the life of a policy holder.  
Source: MDH, Health Economics Program

## Health Plan Design with Highest Enrollment, 2009

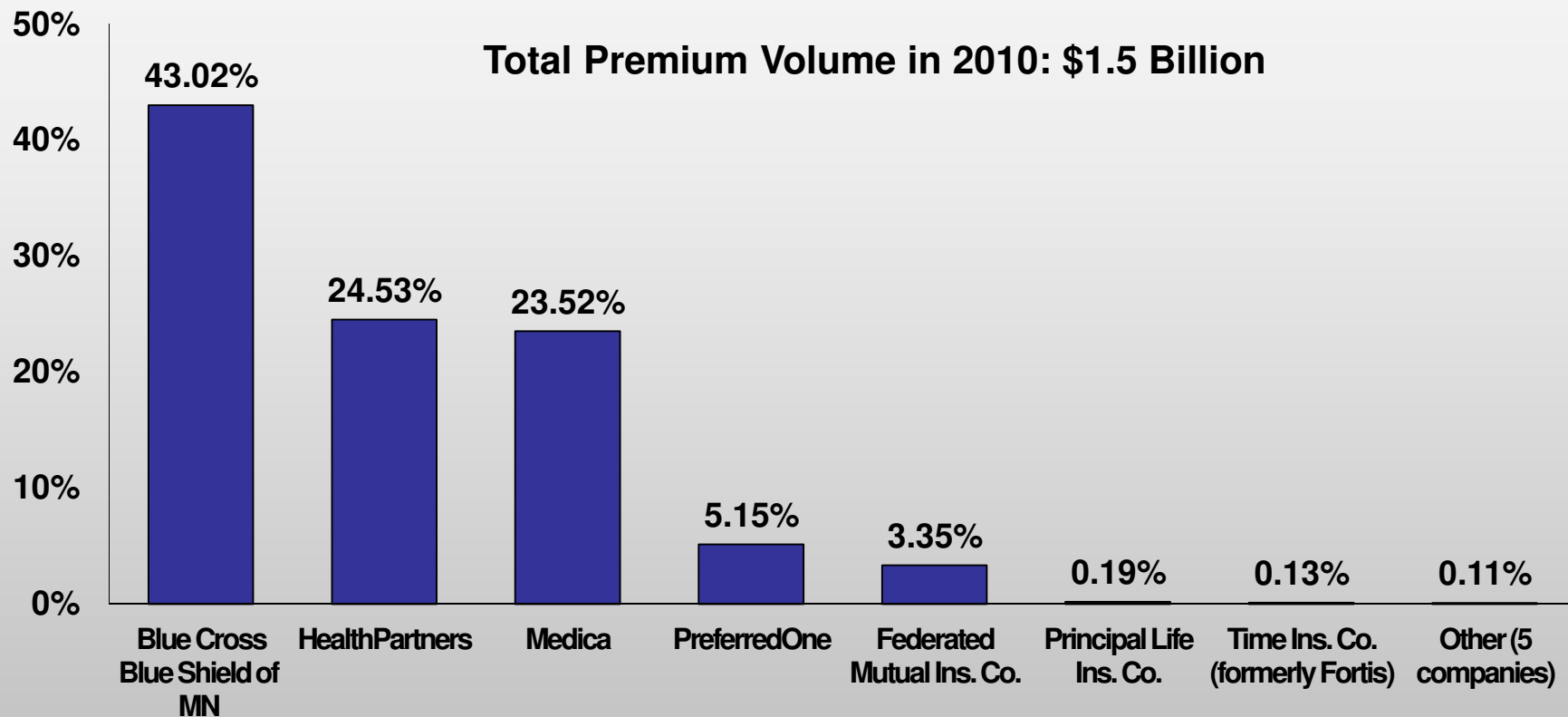
<b>Provider Network Type</b>	PPO
<b>Premium Cost Per Member Per Month</b>	\$438
<b>Tiered Network</b>	No
<b>Cost Sharing Requirements:</b>	
Individual Deductible	\$0
Family Deductible	\$0
First Dollar Coverage for Prevention Services	Yes
Individual Out-of-Pocket Maximum	\$1,500
Family Out-of-Pocket Maximum	\$1,500
Primary Care Office Visit Co-pay	\$25
Emergency Department Co-pay	\$75
Lifetime Maximum	\$5 Million
Generic Drug Co-pay	\$5
Prescription Drug Out-of-Pocket Maximum	\$150

Source: MDH, Health Economics Program

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## Market Shares in the Small Group Insurance Market

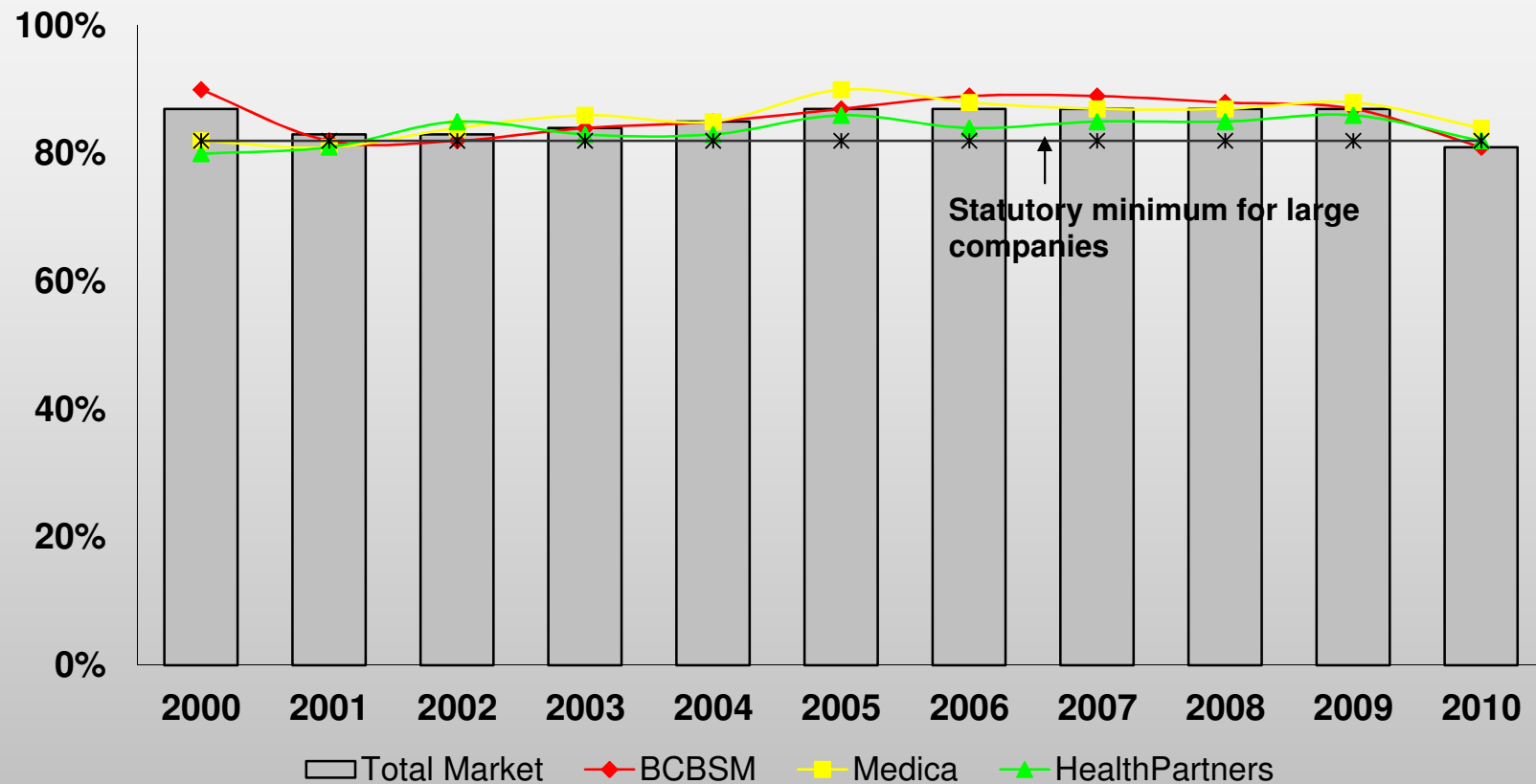
# Health Plan Market Shares: Small Group Market, 2010



Note: Companies with common ownership were treated as one entity. For example, Blue Cross Blue Shield of MN includes Blue Cross Blue Shield of Minnesota and Blue Plus. Market shares based on premium volume; fully insured market only.

Source: Minnesota Department of Commerce, "Report of 2010 Loss Ratio Experience in the Individual and Small Employer Health Plan Markets for: Insurance Companies Nonprofit Health Service Plan Corporations and Health Maintenance Organizations," June 2011.

# Loss Ratio Experience in the Small Group Market, 2000 to 2010



Note: Companies with common ownership have been combined for purposes of this analysis.

Source: Minnesota Department of Commerce, "Report of 2010 Loss Ratio Experience in the Individual and Small Employer Health Plan Markets for: Insurance Companies, Nonprofit Health Service Plan Corporations, and Health Maintenance Organizations," June 2011.

# Additional Information from the Health Economics Program Available Online

## Health Economics Program Home Page

[www.health.state.mn.us/divs/hpsc/hep/index.html](http://www.health.state.mn.us/divs/hpsc/hep/index.html)

## Publications

[www.health.state.mn.us/divs/hpsc/hep/publications/yearly/2010.html](http://www.health.state.mn.us/divs/hpsc/hep/publications/yearly/2010.html)

## Health Care Market Statistics (Presentation Slide Decks)

[www.health.state.mn.us/divs/hpsc/hep/chartbook/index.html](http://www.health.state.mn.us/divs/hpsc/hep/chartbook/index.html)

## Interactive Health Insurance Statistics

<https://pgc.health.state.mn.us/mnha/Welcome.action>

# Contact Information

Nate Hierlmaier

Health Economics Program

Minnesota Department of Health

Phone: (651) 201-3541

Email: [nathan.hierlmaier@state.mn.us](mailto:nathan.hierlmaier@state.mn.us)